



## Research Report

### Syncsort's Mainframe Survey: A Major Focus on ROI

#### *Executive Summary*

Syncsort is growing like crazy. The company has tripled revenue in the last year, grown its customer base to over 7,000, and now has 500+ talented data professionals distributed around the world. Its growth stems from broadening its product line through a combination of organic growth and some significant acquisition activities. And it comes from gaining a deep understanding of what their customers need – and meeting those needs.

Every year Syncsort conducts a number of market surveys – including a study on mainframe market trends and buyer behavior. Its most recent *State of the Mainframe* survey was recently completed, and the company's analysis of the survey data is summarized in the following slide set entitled "[Key Mainframe Trends for 2018](#)". Further, Syncsort has also made its findings available in slide and video format with additional data and commentary at this [URL](#).

The company's survey data indicates that there will be five key foci this year in mainframe computing in 2018. They are:

1. ***Mainframe customers will strongly focus on optimization to reduce costs;***
2. The use of Big Data analytics on mainframes will increase;
3. The use of modern, cross-platform analytics tools will increase;
4. Users will focus on the analysis of mainframe data to aid in security and compliance activities; and,
5. There will be an increased emphasis on monitoring/tracking data movement within the enterprise.

As we reviewed Syncsort's findings, we found ourselves in total agreement with the company's market trend analysis. Mainframe executives are looking for ways to maximize their investments in mainframes – and they are doing so by improving utilization as well as by moving certain workloads off the mainframe to make room for new money-generating applications. The use of mainframe analytics is indeed on the rise. The walls are coming down between the mainframe and distributed world – and new tools that enhance visualization and correlate data across platforms are helping to break-down these walls. The use of mainframe data, including System Management Facility (SMF) and z/OS logs, will increase to help address security concerns and meet compliance requirements. And monitoring data movement between platforms has indeed become a top priority for many organizations.

In this *Research Note*, *Clabby Analytics* focuses on the first trend identified by Syncsort – the optimization trend. We, too, are seeing this same trend – and we provide our analysis of what we think is really going on in the mainframe marketplace.

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### *The Optimization Discussion*

For decades IT buyers have heard that mainframes are old technology – and that mainframes are “going away”. Quite the opposite is happening. Last quarter, mainframe revenue increased 71% year-to-year; and fourteen net-new customers joined the mainframe fold. New applications such as Blockchain are becoming popular on the mainframe. Buyers are discovering the advantages that mainframe processor/system design has for Linux server consolidation. Demand for mainframe capacity is continuing to increase.

***Contrary to mainframe naysayer beliefs, the mainframe is alive and well – and has a bright future ahead.***

According to Syncsort's survey, mainframe executives want to maximize their return-on-investment in mainframes through the optimal use of mainframe resources (optimization). To do this, mainframe executives are focusing on:

1. Optimizing the use of the z general processors;
2. Moving as much workload as possible to less expensive zIIP processors;
3. Moving some workloads off of the mainframe completely (to free up capacity for other workloads that can more efficiently exploit the z processors and system design to run most efficiently);
4. Finding tools for million service unit ([MSU](#)) optimization.

***All four of these points have to do with reducing cost by carefully managing which workloads are run on z processors.***

### *Why Focus on z Processors?*

The way mainframe executives pay for the use of their mainframe is via a pricing scheme known as Monthly License Charge (MLC) pricing. There are various MLC pricing metrics designed to serve varying customer requirements – but regardless of the metric chosen, mainframe managers are well aware that they will be billed for MSU usage based upon a four-hour rolling average of the number of operations that have taken place as well as to the cost of software being used within a logical partition (LPAR) at the time that average is determined.

***The inefficient use of z processors and LPARs can greatly inflate the cost of operating a mainframe.***

Mainframe executives also know that one method for reducing the cost of mainframes is to move some workloads to [System z Integrated Information Processors](#) (zIIPs). These processors were initially designed to help offload the mainframe “z processors” from having to process certain workloads (such as DB2 database workloads), and are charged at far lower rates than processing workloads on z CPUs. So, if mainframe executives can move jobs to zIIP, they can save a lot of money.

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Products and services that can run on zIIP processors include Java and XML applications; DB2 for z/OS; IBM resource management facility (RMF); the z/OS Communications Server; IBM OMEGAMON – and offerings from several third parties including Software AG, Compuware, CA Technologies, BMC Software, GT Software, Inc., and Phoenix Software International.

Other options to lower computing costs include moving workloads to lower cost, specialized mainframe Linux processors (Integrated Facility for Linux – IFLs); moving certain applications completely off the mainframe to other platforms (most likely x86-based servers); and finding [tools that help control MSU utilization](#) using capacity management and other means.

Syncsort's survey finds that organizations are increasing their mainframe spending (83.1% of the respondents indicated their mainframe spending would increase). 42.7% of respondents indicated that they planned to increase capacity. Of those who were not planning on increasing capacity, 42.7% indicated that they planned to move work off of mainframes (presumably to make better use of the capacity they currently have).

***The bottom line here is that customer investment in mainframes is continuing at a strong rate – and if they chose not to add more capacity at present, they are closely examining their workloads and moving applications off of the mainframe to make better use of existing capacity.***

### ***Don't Forget To Use Analytics to Reduce Security and Management Costs***

*Clabby Analytics* has pointed out over several years that analytics tools can now be used to help reduce systems management and security costs by having systems “manage themselves”. Analytics routines can comb through log data exponentially faster than humans – making log analytics tools far more efficient than more expensive humans at analyzing large volumes of data. Syncsort did mention during their video that the company offers its [Ironstream](#) environment for such purposes.

Syncsort's annual mainframe report contains some excellent guidance for mainframe executives looking to reduce costs. Mainframe executives should:

1. Closely examine the workloads they run on their mainframes;
2. Pay close attention to the workloads they are running on z CPUs;
3. If possible, move workloads suited to zIIP and or IFL processors to those processors;
4. Use tools that help manage MSU usage;
5. Use analytics tools such as automated log analysis environments to reduce systems management and security management costs.

Syncsort did work into their report that the company offers several products that can help mainframe managers improve mainframe ROI, better secure their mainframe environments, improve cross-platform analytics, better manage data, improve capacity management and so on. For those interested in evaluating those products, a list of Syncsort mainframe products can be found [here](#).

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*Syncsort's annual State of the Mainframe survey provides some solid insights into mainframe buying behavior and usage. The survey analysis confirms that mainframe usage is growing; that analytics of mainframe data will play a bigger role on mainframes going forward; and that machine analytics is taking a big step forward. What we see Syncsort doing with this data is aligning its product and service organizations to address its customer's needs in these areas. And we believe that this survey-and-build/buy approach to broadening the company's solutions portfolio is playing a major role in the company's renaissance.*



**Clabby Analytics**  
**<http://www.clabbyanalytics.com>**  
**Telephone: 001 (843) 297-5150**

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